

AR19

1975

ANNUAL REPORT

For the year ended December 31, 1975

Canadian Malartic

Gold Mines Limited

Canadian Malartic

Gold Mines Limited

(Incorporated under the laws of Canada)

20th Floor - 4 King Street West
Toronto, Ontario

CAPITALIZATION

	Authorized	Issued
Common Shares	4,000,000	3,651,355

OFFICERS AND DIRECTORS

Officers

W. NOEL O'BRIEN, P.Eng.	- - - - -	President
C. D. PARMELEE, P.Eng.	- - - - -	Vice-President
D. C. MARSHALL	- - - - -	Secretary-Treasurer

Directors

D. C. MARSHALL	- - - - -	Toronto, Ontario
W. NOEL O'BRIEN, P.Eng.	- - - - -	Toronto, Ontario
C. D. PARMELEE, P.Eng.	- - - - -	Toronto, Ontario
JOHN S. GRANT, Q.C.	- - - - -	Toronto, Ontario

F. G. Roman

Transfer Agents

ROYAL TRUST COMPANY
Toronto, Ontario and Montreal, Quebec

Auditors

STARKMAN, KRAFT, ROTHMAN, BERGER & GRILL
Toronto, Ontario

~~33% Roman~~

32.8% Roman

Directors' Report

In 1975 your Company continued to concentrate its exploration efforts in northwestern Quebec, including the acquisition of a property in the Normetal area (the Clermont Project).

CLERMONT PROJECT:

Sixteen claims were staked in July 1975 in Clermont Township, midway between the base metal property recently drilled by Norcen and the former Normetal mine. Denison Mines Limited has agreed to participation to the extent of 50% in this Project. Canadian Malartic carried out geophysical surveys (magnetic and electromagnetic) to investigate an INPUT anomaly. The results were not conclusive and further work will be considered as more area information becomes available.

WISENER LAKE PROJECT:

The properties held jointly with Goldray Mines Limited in the Wisener Lake area of northwestern Ontario were optioned to Falconbridge Nickel Mines. A drilling program of approximately \$48,000 was carried out but results were not sufficiently encouraging for Falconbridge to continue the option. No further work is planned at present.

VASSAN PROJECT:

Drilling on the Vassan properties was described in the previous Annual Report. Since then the option lands have been returned to the owner and a limited ground magnetometer survey has been undertaken on adjacent claims. A structure believed to be favorable for gold mineralization has been defined. Further work has been recommended by the consulting geologist but no program has yet been scheduled.

COLLET-DIEPPE PROPERTIES:

A joint venture in these properties was arranged with Rayrock Mines Limited and a drilling program (2 holes) was carried out in 1975. Results were negative and work has been discontinued, and the claims are being allowed to lapse.

Your Company is maintaining a good financial position and is considering participation in two other exploration ventures for base metals in 1976 in northwestern Quebec.

Submitted on behalf of the Board of Directors.

Noel O'Brien
President

TORONTO, Ontario.
May 21, 1976.

Canadian Malartic

Gold Mines Limited

(Incorporated under the laws of Canada)

BALANCE SHEET

	As at December 31	
	1975	1974
Assets		
Current Assets		
Cash	\$ 13,367	\$ 3,530
Term deposits	235,000	265,000
Accounts receivable	2,881	3,692
Prepaid expenses	—	314
	<u>251,248</u>	<u>272,536</u>
Marketable Securities, at cost		
(quoted market value, 1975 — \$83,875; 1974 — \$53,250)	<u>63,296</u>	<u>63,296</u>
Mining Properties, at nominal value (Note 2)	<u>2</u>	<u>3,502</u>
Deferred Exploration Expenditures	<u>57,349</u>	<u>63,834</u>
	<u>\$371,895</u>	<u>\$403,168</u>

Liabilities and Shareholders' Equity

Current Liabilities		
Accounts payable and accrued charges	\$ 4,019	\$ 6,214
Shareholders' Equity		
Capital		
Authorized		
4,000,000 Shares without par value		
Issued		
3,651,355 Shares	92,534	92,534
Retained Earnings, per attached statement	<u>275,342</u>	<u>304,420</u>
	<u>\$371,895</u>	<u>\$403,168</u>

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors:

D. C. MARSHALL, Director

JOHN S. GRANT, Director

STATEMENT OF INCOME AND RETAINED EARNINGS

	Year Ended December 31,	
	1975	1974
Revenue		
Interest and dividends	\$ 20,150	\$ 25,478
Expenses		
Consulting	965	1,631
Expenses on Malartic property	3,896	2,679
Transfer agent fees	3,143	2,627
Legal and audit	4,185	4,143
Shareholders' information	2,562	2,404
Miscellaneous expenses	1,401	1,270
Directors' fees	750	1,250
	<u>16,902</u>	<u>16,004</u>
Net Income for the Year	3,248	9,474
Retained Earnings, beginning of year	<u>304,420</u>	<u>266,146</u>
	307,668	275,620
Add: Sale of mining claims and lots Malartic, Quebec	<u>2,200</u>	<u>28,800</u>
	309,868	304,420
Less: Exploration expenditures written-off on abandoned projects	31,026	—
Vassan option written-off	<u>3,500</u>	<u>—</u>
	34,526	—
Retained Earnings, end of year	<u>\$275,342</u>	<u>\$304,420</u>

The accompanying notes form an integral part of these financial statements.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Canadian Malartic Gold Mines Limited as at December 31, 1975 and the statements of income and retained earnings, deferred exploration expenditures and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1975 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
March 4, 1976

STARKMAN, KRAFT, ROTHMAN, BERGER & GRILL
Chartered Accountants

Canadian Malartic

Gold Mines Limited

STATEMENT OF DEFERRED EXPLORATION EXPENDITURES

	Year Ended December 31,	
	1975	1974
Vassan Township, Quebec		
Diamond drilling	\$ 11,448	\$ 18,667
Consulting fees	3,474	4,961
Line-cutting	1,416	700
Geological surveys	886	430
Assaying	344	165
Licenses and taxes	146	106
Staking	—	750
General field expenses	—	115
	<u>17,714</u>	<u>25,894</u>
Collet and Dieppe townships, Quebec (written-off)		
Staking	4,849	7,685
Surveying	181	—
Consulting	128	915
Licenses	20	40
	<u>5,178</u>	<u>8,640</u>
Clermont Township, Quebec		
Staking	880	—
Consulting fees	249	—
	<u>1,129</u>	<u>—</u>
Wisener Lake Area, Ontario		
Administration	520	—
Senneterre Area, Quebec (written-off)		
Diamond drilling	—	13,230
Consulting fees	—	1,390
Licenses	—	176
Assaying	—	37
	<u>—</u>	<u>14,833</u>
	<u>24,541</u>	<u>49,367</u>
Balance, beginning of year	<u>63,834</u>	<u>14,467</u>
	<u>88,375</u>	<u>63,834</u>
Less: Expenditures written-off		
— Collet and Dieppe Townships	13,818	—
— Senneterre Area	17,208	—
	<u>31,026</u>	<u>—</u>
Balance, end of year	<u>\$ 57,349</u>	<u>\$ 63,834</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended December 31,	
	1975	1974
Source of Working Capital		
Sale of mining claims and lots	\$ 2,200	\$ 28,800
Net income for the year	3,248	9,474
	<u>5,448</u>	<u>38,274</u>
Application of Working Capital		
Exploration expenditures	24,541	49,367
Acquisition of mining claims and options	—	3,500
	<u>24,541</u>	<u>52,867</u>
Decrease in Working Capital	19,093	14,593
Working Capital, beginning of year	266,322	280,915
Working Capital, end of year	<u>\$247,229</u>	<u>\$266,322</u>

SUMMARY OF DEFERRED EXPLORATION EXPENDITURES

	As at December 31	
	1975	1974
Vassan Township, Quebec	\$ 43,608	\$ 25,894
Wisener Lake Area, Ontario	12,612	12,092
Clermont Township, Quebec	1,129	—
Senneterre Area, Quebec	—	17,208
Collet and Dieppe Townships, Quebec	—	8,640
	<u>\$ 57,349</u>	<u>\$ 63,834</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS December 31, 1975

1. Accounting Principles

The company follows the policy of deferring all direct costs on properties in the exploration and development stages. Mining claims and interests, when determined to be without value, are written off against retained earnings together with related exploration expenditures. Administrative costs are expensed as incurred.

2. Mining Properties

The company has the following interests in mining claims:

- 47.5% interest in 10 mining claims Wisener Lake Area, District of Kenora, Ontario
- Various mining claims and lots Malartic, Quebec
- 16 mining claims Clermont Township, Quebec, acquired by staking
- 5 mining claims Vassan Township, Quebec, acquired by staking

During the year the company dropped its option on 17 mining claims Vassan Township, Quebec.

The company retains a 25% interest in any future net profits resulting from the mining of ore from certain Malartic claims sold previously.

3. Commitments

The Company has granted a number of emphyteutic leases to various inhabitants of the Town of Malartic, Quebec, at a yearly rental of \$1 each. These leases have approximately 61 years to run. The company is liable for taxes on unleased property and concessions which in 1975 were approximately \$2,100.

4. Statutory Information

Remuneration of directors and senior officers as defined by the Business Corporations Act (1970) amounted to \$750.

